

PAN HONG PROPERTY GROUP LIMITED

(Incorporated in Bermuda)

(Registration Number: 37749)



汎港地產集團
PAN HONG PROPERTY GROUP

PAN HONG RECEIVES HK\$32 MILLION AS REFUND OF DEPOSIT WITH INTEREST

(Capitalised terms used in this announcement shall have the same meaning as ascribed to them in the announcements made on 3 April and 20 May 2009, unless otherwise defined.)

Further to the announcement issued on 20 May 2009, the Board of Directors of Pan Hong Property Group (the “Company” and together with its subsidiaries, the “Group”) is pleased to inform that the Court has on 11 June 2009 approved the release of a total sum of HK\$32,026,850 to Loerie Investments Limited (“Loerie”), a wholly-owned subsidiary of the Company. Accordingly, Loerie received the total sum on 18 June 2009.

The sum of HK\$32,026,850 represents the refund of HK\$30 million that Loerie had paid to Mr Liu Hong Shu (the “Vendor”), as deposit and part payment of the Purchase Consideration for the acquisition of a 90% stake in Ever Sure Industries Limited (the “Acquisition”), together with an interest payment of HK\$2,026,850 (“Interest Payment”).

In accordance with the terms set out in the Settlement Order, the Vendor shall also pay into Court a further sum of HK\$27.5 million as ex gratia payment to Loerie within 12 months from 8 May 2009. This payment is subject to due compliance of certain settlement terms and there being no breach of the settlement terms by Loerie and/or Mr Wong Lam Ping. Upon full compliance by Loerie with the settlement terms as agreed, the Vendor shall within 7 days thereafter consent to the release of the total sum of HK\$27.5 million to Loerie by the Court.

After compliance with all the terms of the Settlement Order by the parties, Loerie would discontinue its legal proceedings against the Vendor and shall not pursue the Acquisition. Should the Vendor fail to pay the aforesaid sum of HK\$27.5 million in full, Loerie shall be entitled to either continue with its legal claim or to pursue the Vendor for the said sum.

The refund of HK\$30 million will not have an impact on the Group’s earnings and net asset value for the first financial quarter ending 30 June 2009 (“1Q2010”). However, the Interest Payment is expected to contribute to the Group’s 1Q2010 earnings and net asset value.

By Order of the Board

Wong Lam Ping
Executive Chairman

18 June 2009

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